



Los Angeles County
Board of Supervisors

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September 06, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Chief Operations Officer

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
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www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

(1) Account Number	H-UCLA MC – Various	\$	4,495
(2) Account Number	H-UCLA MC – 1002647959	\$	10,000
(3) Account Number	H-UCLA MC – 1001461878	\$	16,164
(4) Account Number	LAC+USC MC – 1001689701	\$	427,500



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Patients who received medical care at non-County facilities:

(5) Account Number	EMS – 312	\$	1,000
(6) Account Number	EMS – 313	\$	1,603
(7) Account Number	EMS – CS-640	\$	4,365
(8) Account Number	EMS – CS-641	\$	15,000

Total All Accounts: \$ 480,127

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at County facilities: The compromise offers of settlement for patient accounts (1) – (2) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offers of settlement for patient accounts (3) – (4) are recommended because the offers are the highest amounts that could be negotiated with the patients insurance providers (Commercial or HMO) under the circumstances of these cases, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary co-insurance or deductible obligations.

Patients who received medical care at non-County facilities: The compromise offers of settlement for patient accounts (5) - (8) are recommended because the County has agreements with certain non-County medical facilities under which it pays for emergency or trauma care provided to eligible indigent patients at those facilities through the Los Angeles County Trauma Fund. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$480,127. There is no net cost to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz", written in a cursive style.

Mitchell H. Katz, M.D.

Director

MHK:ab

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: SEPTEMBER 6, 2016

Total Gross Charges	\$50,476	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$50,476	Date of Service	Various
Compromise Amount Offered	\$4,495	% Of Charges	9 %
Amount to be Written Off	\$45,981	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$50,476 for medical services rendered. The patient had ATP and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000 and the patient's attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$500	\$500	3 %
H-UCLA Medical Center *	\$50,476	\$4,495	30 %
Other Lien Holders	-	-	-
Patient	-	\$5,005	34 %
Total	-	\$15,000	100 %

* This settlement distribution is consistent with the Hospital Lien Act (California Civil Code Section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost.

This patient is covered by ATP and as a condition of the ATP agreement; the County may pursue reimbursement from any responsible third party. Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: SEPTEMBER 6, 2016

Total Gross Charges	\$91,712	Account Number	1002647959
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$91,712	Date of Service	1/18/2016 – 1/26/2016
Compromise Amount Offered	\$10,000	% Of Charges	11 %
Amount to be Written Off	\$81,712	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$91,712 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$50,000 and the patient's attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$16,666	\$16,667	33 %
Lawyer's Cost	\$40	\$40	1 %
H-UCLA Medical Center	\$91,712	\$10,000	20 %
Other Lien Holders	-	-	-
Patient *	-	\$23,293	46 %
Total	-	\$50,000	100 %

* Patient is from out-of-state and settlement distribution will allow patient to pay for on-going medical care.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: SEPTEMBER 6, 2016

Total Gross Charges	\$107,766	Account Number	1001461878
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$107,766	Date of Service	9/7/2015 – 9/16/2015
Compromise Amount Offered	\$16,164	% Of Charges	15 %
Amount to be Written Off	\$91,602	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient experienced respiratory failure. As a result of this incident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$107,766 for medical services rendered. The above compromise offer of settlement is the highest amount that the patient's insurance (Commercial or HMO) could offer under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: SEPTEMBER 6, 2016

Total Gross Charges	\$862,638	Account Number	1001689701
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$862,638	Date of Service	10/6/2015 – 12/2/2015
Compromise Amount Offered	\$427,500	% Of Charges	50 %
Amount to be Written Off	\$435,138	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in a motorcycle vs auto accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$862,638 for medical services rendered. The above compromise offer of settlement is the highest amount that the patient's insurance (Commercial or HMO) could offer under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: SEPTEMBER 6, 2016

Total Charges (Providers)	\$34,646	Account Number	EMS 312
Amount Paid to Provider	\$12,471	Service Type / Date of Service	Inpatient 6/24/2015 - 6/25/2015
Compromise Amount Offered	\$1,000	% of Payment Recovered	8 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient gross charges of \$34,646 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$12,471. The patient's third-party claim has been settled for \$5,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$5,000)
Attorney fees	\$1,667	\$1,000	20 %
Los Angeles County	\$34,646	\$1,000	20 %
Patient	-	\$3,000	60 %
Total	-	\$5,000	100 %

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 8% (\$1,000) of amount paid to St. Francis Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: SEPTEMBER 6, 2016

Total Charges (Providers)	\$6,861	Account Number	EMS 313
Amount Paid to Provider	\$6,425	Service Type / Date of Service	Outpatient 6/25/2015
Compromise Amount Offered	\$1,603	% of Payment Recovered	25 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total outpatient gross charges of \$6,861 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$6,425. The patient's third-party claim has been settled for \$16,600, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$16,600)
Attorney fees	\$5,533	\$5,533	33 %
Attorney cost	\$125	\$125	1 %
Other Lien Holders *	\$8,718	\$2,093	13 %
Los Angeles County *	\$6,861	\$1,603	10 %
Patient	-	\$7,246	43 %
Total	-	\$16,600	100 %

* Lien holders are receiving 23% of the settlement (10% to Los Angeles County and 13% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 25% (\$1,603) of amount paid to St. Francis Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: SEPTEMBER 6, 2016

Total Charges (Providers)	\$52,764	Account Number	EMS CS-640
Amount Paid to Provider	\$7,079	Service Type / Date of Service	Outpatient 5/3/2015
Compromise Amount Offered	\$4,365	% of Payment Recovered	62 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Hospital and incurred total outpatient gross charges of \$52,764 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$7,079. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$5,000	33 %
Attorney cost	\$300	\$300	2 %
Other Lien Holders *	\$5,735	\$485	3 %
Los Angeles County *	\$52,764	\$4,365	30 %
Patient		\$4,850	32 %
Total		\$15,000	100 %

* Lien holders are receiving 33% of the settlement (30% to Los Angeles County and 3% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 62% (\$4,365) of amount paid to Providence Holy Cross Hospital.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: SEPTEMBER 6, 2016

Total Charges (Providers)	\$36,029	Account Number	EMS CS-641
Amount Paid to Provider	\$13,294	Service Type / Date of Service	Inpatient 11/22/2014 - 11/23/2014
Compromise Amount Offered	\$15,000	% of Payment Recovered	113 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Hospital and incurred total inpatient gross charges of \$36,029 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$13,294. The patient's third-party claim has been settled for \$60,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$60,000)
Attorney fees	\$24,000	\$15,000	25 %
Attorney cost	\$678	\$678	1 %
Other Lien Holders *	\$27,560	\$13,841	23 %
Los Angeles County *	\$36,029	\$15,000	25 %
Patient	-	\$15,481	26 %
Total	-	\$60,000	100 %

* Lien holders are receiving 48% of the settlement (25% to Los Angeles County and 23% to others).

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 113% (\$15,000) of amount paid to Long Beach Memorial Hospital.